Executive Offices
1845 Walnut Street
Philadelphia, PA 19103

For permission to reprint this information in whole or in part, contact the Director of Publications.

Laventhol & Horwath
Certified Public Accountants

B5050-4 11/22/82

NATIONAL TREND OF BUSINESS
Lodging Industry

A SERVICE TO THE CLIENTS OF LAVENTHOL & HORWATH

© 1982 Laventhol & Horwath

AUGUST 1982 COMPARED WITH AUGUST 1981

OCCUPANCIES DROP 5.2 PERCENT;
ROOM RATES INCREASE ONLY 6.1 PERCENT

For the second straight month, and the third time this year, occupancy rates in the U.S. lodging industry fell by more than 5 percent to a level of 69.2 percent during August 1982. The decline was particularly acute in the South as both the Southeast and South Central regions reported sharp drops, 6.0 and 7.9 percent respectively. Even though August is typically the heaviest travel month for families, resort properties still experienced a decline of 4.3 percent from August of 1981. This drop in conjunction with the disappointing occupancy levels of June and July made the summer of 1982 a very disappointing season for resort operators.

While the average receipt per cover rose 5.3 percent to $7.53, it was not enough to offset the 5.0 percent decline in the number of covers served. This is the first time that the percentage change in the number of covers served has been reported and it will show the reader real changes in restaurant activity. With room sales per occupied room showing only a moderate rise and the number of covers served falling dramatically, room sales and food and beverage sales combined for only a 1.0 percent increase from August 1981.

Throughout the first eight months of 1982 the occupancy rate has fallen to 66.4 percent, 4.2 percent below the same period in the previous year. This soft demand coupled with uncontrollable events, such as the NFL players strike and the dramatic drop in Mexican tourism due to the devaluation of the peso and its inconvertibility, continue to increase the already heavy burden this extended recession is placing on the lodging industry. Therefore, we expect that the remainder of 1982 will continue to reflect slowly falling occupancy rates, with a turnaround not anticipated until the spring of 1983.

	Projections	Actual Last Year
October	66-68%	71.4%
November	58-60%	61.4%
December	45-47%	49.4%

SEASONALLY ADJUSTED OCCUPANCY RATES FOR THE MAJOR CLASSIFICATIONS

	This Month	Percentage Changes*
TOTAL U.S.A.	62.4%	– 4.0%
AFFILIATION:		
Chain	63.9	– 2.0
Independent	58.2	– 10.5
AREA:		
Northeast	62.5	– 6.3
Southeast	59.3	– 5.3
North Central	58.6	– 5.3
South Central	63.9	– 5.6
West	71.2	2.4
LOCATION:		
Center City	59.6	– 3.7
Suburban	63.7	– 4.9
Highway	63.8	– 10.1
Airport	68.0	0.4
Resort	60.0	– 4.2
SIZE:		
Under 150 rooms	66.2	– 4.3
150 to 299 rooms	69.1	10.2
300 to 600 rooms	62.7	– 1.9
Over 600 rooms	58.4	– 5.3
TYPE:		
Hotel	61.3	– 2.4
Motor Hotel	63.4	– 3.5
Budget	63.6	– 8.0

*FROM PREVIOUS MONTH

Randell A. Smith, Associate Director
Chris Bodnar, Research Associate
Research, Development and Education

TREND REPORT AUGUST 1982 COMPARED WITH AUGUST 1981

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	AUG	% CHG	AUG	% CHG	AUG	% CHG
TOTAL U.S.A.	1.0	1.5	-0.3	*	69.2	-5.2	64.5	-2.1	$ 48.16	6.1
REGION:										
Northeast	4.4	4.0	5.4	*	70.4	-3.7	53.1	-0.4	$ 65.64	7.3
Southeast	-2.6	-2.9	-1.7	*	62.9	-6.0	103.0	-3.2	45.94	2.0
North Central	-0.8	0.4	-4.1	*	69.0	-3.9	51.0	-0.2	35.69	4.6
South Central	-1.4	-1.2	-2.0	*	67.5	-7.9	52.3	-1.3	46.35	6.2
West	5.6	7.9	0.1	*	80.2	-3.5	71.5	-4.7	52.34	10.0
AFFILIATION:										
Chain	0.3	0.5	-0.4	*	70.6	-5.1	60.9	-1.3	$ 46.54	4.7
Independent	3.1	4.7	-	*	64.7	-5.5	76.2	-3.4	53.82	10.9
LOCATION:										
Center City	2.4	3.1	0.6	*	63.2	-4.5	52.2	-0.6	$ 59.14	7.3
Suburban	-0.7	-0.2	-2.0	*	71.9	-7.0	55.9	-2.3	42.84	6.7
Highway	0.7	1.3	-1.2	*	73.5	-4.4	68.6	-4.9	34.69	5.1
Airport	-1.9	-2.1	-1.5	*	72.4	-6.2	38.6	-8.7	45.87	4.4
Resort	1.7	2.3	0.7	*	69.8	-4.3	116.7	-	58.92	4.9
SIZE:										
Under 150 Rooms	1.0	1.7	-1.7	*	76.2	-4.2	65.7	-1.9	$ 34.80	6.5
150 to 300 Rooms	-0.9	-0.5	-1.8	*	68.5	-5.6	54.9	-2.5	44.46	4.6
300 to 600 Rooms	0.3	0.7	-0.4	*	66.7	-7.7	76.9	-0.3	58.76	6.8
Over 600 Rooms	4.7	5.3	3.1	*	63.3	-2.3	65.9	-3.5	66.73	6.7
TYPE:										
Hotel	1.8	2.3	0.6	*	65.3	-4.5	61.4	-0.6	$ 59.17	6.2
Motor Hotel	-1.2	-0.7	-2.3	*	72.0	-6.6	70.8	-3.1	41.77	5.3
Budget	5.8	5.6	10.1	*	76.6	-2.9	56.0	-1.9	27.96	9.0

* INSUFFICIENT RESPONSE
\- NO CHANGE

YEAR TO DATE TREND REPORT - AS OF AUGUST 1982

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	AUG	% CHG	AUG	% CHG	AUG	% CHG
TOTAL U.S.A.	3.3	3.8	2.3	*	66.4	-4.2	50.7	-0.2	$ 48.94	7.8
REGION:										
Northeast	5.2	5.0	5.6	*	67.8	-3.1	40.4	-0.2	$ 66.33	8.3
Southeast	1.7	0.9	3.4	*	66.0	-6.1	73.1	-0.7	56.52	7.2
North Central	1.2	2.3	-1.3	*	60.2	-4.1	44.4	4.5	35.19	6.7
South Central	3.1	3.8	1.4	*	69.3	-4.4	44.9	-1.5	47.74	8.1
West	5.5	7.0	2.0	*	71.8	-3.1	61.8	-1.3	45.97	8.8
AFFILIATION:										
Chain	3.2	3.7	1.8	*	67.6	-4.1	48.2	0.2	$ 47.65	7.4
Independent	3.9	4.0	3.8	*	61.9	-4.6	60.0	-0.2	54.44	9.4
LOCATION:										
Center City	2.6	2.8	2.2	*	63.5	-4.2	43.2	0.2	$ 61.70	7.0
Suburban	1.4	2.3	-0.4	*	67.1	-5.4	45.8	-0.2	43.25	8.1
Highway	4.0	4.9	1.2	*	66.4	-3.9	53.2	-0.2	32.88	8.8
Airport	4.5	4.9	3.4	*	71.1	-3.1	36.5	-0.5	46.19	7.4
Resort	5.9	6.3	5.5	*	68.9	-3.8	92.5	-0.2	62.80	8.4
SIZE:										
Under 150 Rooms	3.7	4.6	0.1	*	68.0	-3.8	59.0	0.7	$ 32.87	9.1
150 to 300 Rooms	2.3	3.0	0.9	*	66.2	-4.2	48.5	-0.4	45.92	7.0
300 to 600 Rooms	2.0	2.5	1.2	*	65.3	-5.8	49.7	1.4	58.15	7.7
Over 600 Rooms	5.8	5.4	6.7	*	65.6	-2.8	45.7	-2.6	72.53	7.3
TYPE:										
Hotel	3.5	3.7	3.2	*	65.9	-4.1	48.3	-0.6	$ 61.10	7.3
Motor Hotel	2.4	3.4	0.1	*	67.4	-4.3	53.6	0.6	41.77	7.6
Budget	6.4	6.5	3.7	*	65.4	-4.7	53.8	0.4	24.78	11.8

* INSUFFICIENT RESPONSE

YEAR TO DATE ROOMS REPORT - AS OF AUGUST 1982

	OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		ROOM SALES PER GUEST	
	1982	1981	1982	1981	1982	1981	1982	1981
TOTAL U.S.A.	66.4	69.3	50.7	50.8	$ 48.94	$ 45.39	$ 34.65	$ 32.12
REGION:								
Northeast	67.8	70.0	40.4	40.5	$ 66.33	$ 61.27	$ 49.21	$ 45.18
Southeast	66.0	70.3	73.1	73.6	56.52	52.74	34.57	32.24
North Central	60.2	62.8	44.4	42.5	35.19	32.99	26.33	25.19
South Central	69.3	72.5	44.9	45.6	47.74	44.15	34.01	31.27
West	71.8	74.1	61.8	62.6	45.97	42.27	31.16	28.35
AFFILIATION:								
Chain	67.6	70.5	48.2	48.1	$ 47.65	$ 44.35	$ 34.67	$ 32.26
Independent	61.9	64.9	60.0	60.1	54.44	49.75	34.59	31.65
LOCATION:								
Center City	63.5	66.3	43.2	43.1	$ 61.70	$ 57.67	$ 44.88	$ 41.89
Suburban	67.1	70.9	45.8	45.9	43.25	40.01	30.34	28.07
Highway	66.4	69.1	53.2	53.3	32.88	30.21	23.47	21.74
Airport	71.1	73.4	36.5	36.7	46.19	43.00	34.54	32.07
Resort	68.9	71.6	92.5	92.7	62.80	57.91	33.75	30.67
SIZE:								
Under 150 Rooms	68.0	70.7	59.0	58.6	$ 32.87	$ 30.12	$ 22.07	$ 20.44
150 to 300 Rooms	66.2	69.1	48.5	48.7	45.92	42.92	31.91	29.76
300 to 600 Rooms	65.3	69.3	49.7	49.0	58.15	53.97	38.95	36.16
Over 600 Rooms	65.6	67.5	45.7	46.9	72.53	67.61	51.51	47.31
TYPE:								
Hotel	65.9	68.7	48.3	48.6	$ 61.10	$ 56.95	$ 42.56	$ 39.43
Motor Hotel	67.4	70.4	53.6	53.3	41.77	38.83	27.57	25.65
Budget	65.4	68.6	53.8	53.6	24.78	22.17	18.18	16.45

FOOD AND BEVERAGE REPORT - AUGUST 1982 COMPARED WITH AUGUST 1981

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES	
	1982	1981	1982	1981	1982	1981	1982	1981
TOTAL U.S.A.	$ 25.46	$ 25.53	$ 7.53	$ 7.15	0.35	0.37	0.22	0.22
REGION:								
Northeast	$ 28.24	$ 26.78	$ 8.61	$ 7.91	0.34	0.36	0.21	0.22
Southeast	24.39	24.82	7.34	7.23	0.37	0.37	0.22	0.23
North Central	22.97	23.95	6.36	6.23	0.37	0.39	0.23	0.23
South Central	22.59	23.04	7.12	6.98	0.35	0.36	0.21	0.21
West	30.68	30.64	8.21	7.29	0.35	0.36	0.22	0.22
AFFILIATION:								
Chain	$ 22.58	$ 22.67	$ 7.14	$ 6.84	0.35	0.36	0.21	0.22
Independent	36.07	36.07	8.35	7.78	0.36	0.37	0.23	0.24
LOCATION:								
Center City	$ 26.80	$ 26.63	$ 8.26	$ 7.86	0.34	0.35	0.21	0.21
Suburban	22.27	22.71	6.59	6.54	0.36	0.38	0.23	0.23
Highway	20.12	20.37	5.97	5.64	0.38	0.38	0.23	0.23
Airport	21.07	21.39	6.98	6.31	0.36	0.38	0.22	0.22
Resort	35.82	35.58	8.13	7.63	0.36	0.37	0.22	0.23
SIZE:								
Under 150 Rooms	$ 23.52	$ 23.92	$ 6.15	$ 5.55	0.39	0.40	0.24	0.25
150 to 300 Rooms	22.16	22.56	6.76	6.48	0.37	0.38	0.23	0.23
300 to 600 Rooms	28.55	28.67	7.60	7.33	0.34	0.36	0.21	0.22
Over 600 Rooms	29.83	28.92	9.20	8.76	0.33	0.34	0.20	0.20
TYPE:								
Hotel	$ 29.40	$ 29.24	$ 8.17	$ 7.69	0.35	0.36	0.21	0.22
Motor Hotel	20.16	20.63	5.97	5.82	0.37	0.38	0.23	0.23

YEAR TO DATE FOOD AND BEVERAGE REPORT - AS OF AUGUST 1982

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES	
	1982	1981	1982	1981	1982	1981	1982	1981
TOTAL U.S.A.	29.06	$ 28.40	$ 8.02	$ 7.51	0.34	0.35	0.22	0.22
REGION:								
Northeast	33.00	$ 31.26	$ 9.32	$ 8.51	0.32	0.33	0.21	0.21
Southeast	32.98	31.91	8.56	8.09	0.35	0.35	0.22	0.22
North Central	28.17	28.54	6.89	6.59	0.36	0.37	0.22	0.23
South Central	24.07	23.73	7.69	7.26	0.35	0.35	0.22	0.22
West	29.29	28.72	7.90	7.37	0.35	0.35	0.22	0.21
AFFILIATION:								
Chain	26.45	$ 25.98	$ 7.87	$ 7.36	0.34	0.35	0.21	0.21
Independent	40.64	39.17	8.39	7.90	0.36	0.36	0.23	0.24
LOCATION:								
Center City	31.30	$ 30.62	$ 8.94	$ 8.42	0.32	0.33	0.21	0.21
Suburban	25.73	25.83	7.12	6.70	0.36	0.37	0.22	0.23
Highway	22.89	22.63	6.20	5.76	0.37	0.37	0.23	0.23
Airport	24.38	23.58	7.20	6.70	0.36	0.36	0.21	0.22
Resort	40.49	38.38	8.75	8.16	0.35	0.36	0.22	0.22
SIZE:								
Under 150 Rooms	24.72	$ 24.70	$ 6.32	$ 6.05	0.39	0.39	0.24	0.25
150 to 300 Rooms	25.13	24.92	7.04	6.67	0.36	0.37	0.23	0.23
300 to 600 Rooms	30.83	30.46	8.32	7.78	0.34	0.34	0.21	0.22
Over 600 Rooms	38.10	35.72	10.18	9.39	0.31	0.31	0.19	0.19
TYPE:								
Hotel	33.77	$ 32.72	$ 8.79	$ 8.22	0.33	0.34	0.21	0.21
Motor Hotel	22.05	22.02	6.21	5.88	0.37	0.37	0.23	0.23